



**Insurance and Real Estate Committee
PUBLIC HEARING
Thursday, March 17, 2022**

**Connecticut Association of Health Plans
Testimony in Support of**

S.B. No. 416 AN ACT PROMOTING COMPETITION IN CONTRACTS BETWEEN HEALTH CARRIERS AND HEALTH CARE PROVIDERS.

The Connecticut Association of Health Plans respectfully urges support for the provisions included in S.B. 416.

Prohibiting hospital health systems from requiring that health plans enter into “all or nothing” contracts that require the inclusion of all facilities within one system to be included under a single agreement helps foster an endangered competitive market in Connecticut by incentivizing organizations within organizations to compete on the basis of cost and quality.

Likewise, the provisions of the proposal that prohibit anti-steering and anti-tiering clauses underscore the value that can be derived by aligning financial incentives around both cost of care and quality metrics.

Value based contracting is a cornerstone of current carrier initiatives to drive a new vision in the delivery of health care that centers on whole-person health and quality outcomes instead of volume of care delivered. Such practices provide for more comprehensive services and interaction among carriers, hospital systems, providers, and patients.

The National Academy for State Health Policy (NASHP), a nonpartisan forum of policymakers that formulates innovative solutions to health policy challenges, states that, “This model legislation prohibits anticompetitive contract clauses that dominant health care systems may demand in contracts with health insurers to increase prices and thwart cost-containment efforts.”

Through the good work done by virtue of Executive Order 5 on cost growth benchmarking, we know that hospital costs must be addressed. This legislation takes an important first step.

As Connecticut’s market becomes more and more concentrated under just a few umbrella health systems, appropriate safeguards are warranted to assure no one party is unduly advantaged over another. We urge support of S.B. 416.